

Internal Revenue Service

Department of the Treasury

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Person to Contact:

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Refer Reply To:

CC:IT&A:2 – COR-118846-00

Date:

October 5, 2000

Dear [REDACTED]

You asked for a ruling on payments for prescription medicines and drugs, and insulin, in your letter of September 25, 2000. You gave no specific facts, but I am glad to provide you general information.

A taxpayer may deduct expenses for medical care for the taxpayer, spouse, or dependent under § 213(a) of the Internal Revenue Code. The deduction is limited to the amount of total medical expenses that exceeds 7.5 percent of the taxpayer's adjusted gross income, and no deduction is allowed for expenses compensated by insurance or otherwise.

The deduction for medicines and drugs is limited by § 213(b) to those that come within the definition of a prescribed drug (except for insulin). A prescribed drug is one that requires a prescription of a physician for its use. Thus, the deduction is allowed only for a drug that cannot be obtained legally without a prescription. I enclose a copy of Publication 502, *Medical and Dental Expenses*, which explains the medical expense deduction in greater detail.

I hope this information is helpful. If you have any questions, please call Mr. Sapienza at the number above.

Sincerely,

Associate Chief Counsel
(Income Tax & Accounting)

By: _____
Robert A. Berkovsky
Chief, Branch 2

Enclosure